

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

THE FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF THE  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 05-35

Respondent: Nancy G. Culliford

Date: August 23, 2005

Information Request D.T.E. 1-14

- Q. Please refer to section six on page five of the Precedent Agreement. Discuss, in detail, why KeySpan selected the negotiated rate option.
- A. In accordance with the terms of Tennessee's Binding Open Season, the Company was offered the choice of one of two rates: 1) a negotiated rate consisting of a monthly Reservation Rate of \$22.7365/Dth; or 2) a recourse monthly Reservation Rate of \$34.5949/Dth. In either case, the Daily Commodity Rate per Dth is \$0.00 and the above rates are exclusive of fuel and applicable surcharges. The recourse rate is subject to change to the extent Tennessee's FERC-approved system rates change while the lower negotiated rate is fixed during the term of the contract.